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Director and Chief Medical Officer

FRED LEAF
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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
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BOARD OF SUPERVISORS

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May 5, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC + USC - 2187943	\$133,000
(2)	Account Number	H/UCLA - 6699153	\$40,000
(3)	Account Numbers	H/UCLA - 5676828 and other accounts	\$60,000
(4)	Account Numbers	LAC + USC - 1874181, 1936550, 2068362	\$5,000

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) – (2) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patients, except for possible beneficiary coinsurance or deductible obligations. The compromise offers of settlement for patient accounts (3) – (4) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

FISCAL IMPACT:

This will expedite the County's recovery of partial payment totaling approximately \$238,000.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

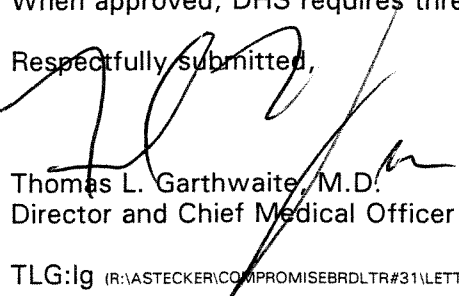
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lg (R:\ASTECKER\COMPROMISE\BDLTR#31\LETTER)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: May 5, 2005

Total Charges	\$221,239	Account Number	2187943
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$221,239	Date of Service	12/01/2004 – 12/18/2004
Compromise Amount Offered	\$133,000	% Of Charges	60%
Amount to be Written Off	\$88,239	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: May 5, 2005

Total Charges	\$93,104	Account Number	6699153
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$93,104	Date of Service	01/19/2005-01/27/2005
Compromise Amount Offered	\$40,000	% Of Charges	43%
Amount to be Written Off	\$53,104	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: May 5, 2005

Total Charges	\$195,113	Account Number	5676828 and other accounts
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$195,113	Date of Service	08/13/03-08/16/03 and other inpatient and outpatient dates of service
Compromise Amount Offered	\$60,000	% Of Charges	31%
Amount to be Written Off	\$135,113	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$195,113 for medical services rendered. The patient's third-party claim has been settled for \$125,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees *	\$41,667	\$30,000	24.0%
Attorney Cost	\$202	\$202	.2%
H/UCLA Medical Center	\$195,113	\$60,000	48.0%
Other Lien Holders	\$7,565	\$4,050	3.2%
Patient	\$0	\$30,748	24.6%
Total		\$125,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

* The patient's lawyer has reduced his fees from 33% to 24%.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: May 5, 2005

Total Charges	\$263,520	Account Number	1874181, 1936550, 2068362
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$263,520	Date of Service	09/12/04-09/22/04, 09/27/04-10/27/04, 10/29/04
Compromise Amount Offered	\$5,000	% Of Charges	2%
Amount to be Written Off	\$258,520	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was the victim in an automobile accident with uninsured and underinsured drivers. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$263,520 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$5,000	\$5,000	33.4%
LAC+USC Medical Center	\$263,520	\$5,000	33.3%
Patient	\$0	\$5,000	33.3%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.